



DEPARTMENT OF THE ARMY
U.S. ARMY MANEUVER SUPPORT CENTER AND FORT LEONARD WOOD
320 MANSCEN LOOP STE 316
FORT LEONARD WOOD, MISSOURI 65473-8929

LY TO
ENTION OF

ATZT-CP

26 JUN 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Command Policy Letter # 53-03, Repayment of Student Loans for Civilians

1. PURPOSE. To establish a policy for student loan repayment.
2. POLICY. The Student Loan Repayment Plan is an incentive allowing managers and supervisors the flexibility to recruit highly qualified candidates and retain employees in hard-to-fill positions.
3. REFERENCES.
 - a. Title 5, United States Code (USC) Section 5379, Student Loan Repayments.
 - b. 5 Code of Federal Regulations (CFR) Part 537, Student Loan Repayments.
 - c. Memorandum, Office of the Secretary of Defense, 17 Oct 2001, Subject: Authority Delegation – Student Loan Repayment Approval.
 - d. Memorandum, Headquarters, Department of the Army (HQDA), 26 Nov 2001, Subject: Guidance on Repayment of Student Loans.
 - e. Memorandum, Training and Doctrine Command (TRADOC), 4 Dec 2001, Subject: Guidance on Repayment of Student Loans.
4. APPLICABILITY/ELIGIBILITY.
 - a. On 17 Oct 2001, OSD, delegated the Department of the Army (DA) authority to approve student loan repayments. Under this program, agencies are allowed to pay all or part of an outstanding federally insured student loan in order to recruit highly qualified candidates or retain employees possessing unique skills or qualifications. The maximum amount that may be paid is \$6,000 per employee per calendar year, and a total of \$40,000 overall per employee. Civilian employees must meet the eligibility criteria established in 5 CFR Section 537.105.

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b. Management is required to provide written justification supporting the loan repayment benefit, that in the absence of offering this incentive, the organization would remain unfilled. The determination and service agreement must be made prior to this applicant entering on duty in the position.

c. Management may determine that in order to retain a highly or uniquely qualified employee who would otherwise leave Federal Service for outside employment, a student loan repayment should be offered. The written determination will describe the extent to which the employee's departure would affect the organization's ability to carry out an activity or perform an essential function of their mission.

d. When selecting an employee, managers must continue to adhere to merit system principles and take into consideration the need to maintain a balanced work force reflecting the diversity of America.

e. Eligible employees include: Permanent employees; or term employees with at least three years left on their appointment; or temporary employees who are serving on appointments leading to conversion to term or permanent appointments; or employees serving on excepted appointments with conversion to term, career, or career conditional appointments.

5. PROCEDURES.

a. Approving officials for this program are the Chief of Staff, Garrison Commander, Commandants of the Engineer, Chemical, Military Police Schools, MEDDAC and DENTAC Commanders.

b. The organization is responsible for:

(1) Preparing written justification to support a loan repayment incentive.

(2) Verifying the existence of and the balance remaining on qualifying outstanding loans by requesting the candidate/employee provide a letter from the loan holder containing this information.

(3) Forwarding a staff paper to the approval official that includes the justification and loan letter to the approving official that has been coordinated with DRM and CPAC. DRM will concur or non-concur on sufficiency of resources available within the activity's own civilian payroll budget to cover the expenses

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for the full period of time covered by the agreement. CPAC will concur or non-concur that the position identified falls within the hard-to-fill category.

(4) Providing the Customer Service Representative (CSR) a copy of the signed service agreement for forwarding to the Defense Finance and Accounting Service in order to begin payments to the loan holder.

(5) Providing the Civilian Personnel Advisory Center (CPAC) a copy of the verification of the employee's outstanding federally insured student loan and the manager's justification for authorizing the loan repayment. Copies of the service agreements will be sent to the Civilian Personnel Operations Center and maintained on the left-hand side of the Official Personnel Folder (OPF).

(6) Each manager/supervisor is responsible for maintaining the repayment packet and reporting to the CPAC the number of employees offered and receiving the benefit, the job classification, and the total amount paid.

(7) Managers will provide DRM and CPAC staffing concurrence or opinions with the written justification sent forward to the commander or director. No offer of repayment of student loans may be made prior to commander or director approval.

6. SUPERSESSON. This Command Policy Letter is in effect until rescinded or superseded.

7. PROPONENCY. The proponent for this command policy is the CPAC Director at 596-0280.

Enclosure
Sample Agreement


R.L. VAN ANTWERP
Major General, USA
Commanding

DISTRIBUTION:
All Schools, Brigades, Battalions, Companies
Detachments, Tenant Units, Directorates, and
Personnel Staff Office

United States Army Maneuver Support Center
and Fort Leonard Wood's
Student Loan Repayment Service Agreement

Title 5 USC Section 5379 allows repayment of outstanding federally insured student loans made by educational institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 and the Public Health Service Act. Student loan repayments are made directly to the lender subject to the conditions stated in this agreement. Use of this authority in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service.

CONDITIONS OF EMPLOYMENT

_____(Component) agrees to provide a student loan repayment benefit to:

EMPLOYEE	SSN	POSITION

Subject to the conditions of employment stated in this document.

STATE CONDITIONS:

CONDITIONS OF LOAN REPAYMENT:

I agree to complete _____. My service period begins
(Minimum of 3- yr service).

on _____. In return, _____ will make payments on my
(Date) (Component)

outstanding federally insured loan to:

Lender Name and Address

Repayment Amount	Years	Total

Increases or renewals made under this part not to exceed \$6000 each calendar year up to a lifetime total of \$40,000 (may/may not) be made without requiring a new period of service. If increases or renewals are made, however, the Department of Defense (DoD) Component shall document the changes on a

revised service agreement. The DoD Component shall provide the Defense Finance and Accounting Service (DFAS) with a copy of the amended service agreement to ensure the size and duration of payments to the loan holder are adjusted accordingly.

Loan Repayment Procedures

DFAS will make payments to the lender on a biweekly basis. It will determine the amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made. This usually will be 26 payments per year, except for years having 27 pay period. In those cases, 27 biweekly payments will be made. The loan repayment amount will be considered as taxable wages and tax withholding will be made on a biweekly basis as appropriate. The DoD is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to this agreement.

Loss of Eligibility for Loan Repayment Benefit

I understand I will no longer be eligible for the loan repayment incentive if I voluntarily end my employment with _____ (Component), am separated for reasons of misconduct or performance, fail to maintain an acceptable level of performance, or in any way violate the terms of the agreement.

Reimbursement of Loan Repayment Benefit

If I leave DoD before I complete the period of service specified in this agreement, I will reimburse DoD for the entire amount of all loan repayments considered as taxable wages that DoD has made in my behalf.

Employee Signature

Date

I certify that I have discussed the conditions of the student loan repayment program with this employee.

"This information is subject to the Privacy Act of 1974, as amended."